

U. of I. chancellor resigns again after board rejects deal

By **Jodi S. Cohen**
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The day after learning that University of Illinois trustees intend to fire her, embattled Chancellor Phyllis Wise said Thursday night that she has tendered her resignation for a second time and has declined an administrative position offered to her.

In an email sent to the media, Wise criticized the board's decision to reject her first resignation — and a \$400,000 payment that went with it — and opt instead to start dismissal proceedings, calling it a move "motivated more by politics than the interests of the University."

"This action was unprecedented, unwarranted, and completely contrary to the spirit of our negotiations last week," said Wise, who had been chancellor of the Urbana-Champaign campus since 2011. "I have no intention, however, of engaging the Board in a public debate that would ultimately harm the University and the many people who have devoted time and hard work to its critical mission. Accordingly, I have again tendered my resignation as Chancellor and will decline the administrative position as adviser to the President."

Wise did not say in her statement whether she intends to remain on the U. of I. faculty. University spokesman Thomas Hardy said Wise's statement will be reviewed "and the university will determine its appropriate course of action."

The first public comments from Wise, 70, came a week after she first announced her resignation Aug. 6, citing "external issues" that were distracting the university from its mission.

U. of I. President Timothy Killeen had supported the resignation deal, which had been negotiated by attorneys for the university and Wise, and included the \$400,000 payment.

The day after Wise's resignation was announced, U. of I. released about 1,100 pages of emails that showed she and other campus administrators used personal email accounts, at times in an apparent attempt to circumvent state public records laws when discussing sensitive and controversial issues, a violation of university policy.

In her statement, Wise said it "is simply false" that she used a personal email account with "illegal intentions or personal motivations."

"I acted at all times in what I believed to be the best interests of the University," Wise wrote. "In fact, many of these same communications included campus counsel, Board members, and other campus leaders."

Killeen said discussions about Wise's resignation began early last week when she was presented with the findings of the investigation into her use of a personal email account. Killeen said he did not "directly" ask Wise to resign and that she "indicated interest or willingness" to do so.

Wise said Thursday that she "acceded to the Board's and the President's request" to resign and, "in return," the university agreed to provide \$400,000 in compensation that she says she was entitled to under her original employment agreement signed in 2011.

Whether she is entitled to the compensation could be an issue that is ultimately decided by the courts if Wise decides to file a lawsuit. Wise said she is now "consulting with lawyers and considering options to protect my reputation."

Wise's original employment offer said she would receive a \$500,000 retention bonus after "the full five years" in the job, or a prorated portion if she left the position sooner not by her choice but by action of the board.

Wise on Thursday called the \$400,000 payment a "retention incentive that I earned on a yearly basis" and that it was "not a bonus nor a golden parachute." She also said university officials knew that she had been saying that she planned to donate her deferred compensation to the new College of Medicine that she had championed as chancellor.

Killeen and board Chair Edward McMillan said this week that the payment offered to Wise as part of the resignation deal was designed to be "consistent with the (original) employment agreement," but stopped short of saying the university was contractually bound to give it to her.

"In a decision apparently motivated more by politics than the interests of the University, the Board reneged on the promises in our negotiated agreement and initiated termination proceedings," Wise said.

The payment had been met with widespread criticism, including from Gov. Bruce Rauner, whose administration urged the trustees not to approve it.

After a 90-minute closed-door meeting Wednesday, the U. of I. board's executive committee voted against it. In doing so, it rejected her entire resignation offer and decided instead to begin termination proceedings.

Killeen said he was appointing Wise to the position of adviser on biomedical affairs, reporting to him, while the proceedings progressed. She was to continue to draw her salary of \$549,069 and retain her tenured faculty appointment.

"These recent events have saddened me deeply," Wise concluded in her statement. "I had intended to finish my career at this University, overseeing the fulfillment of groundbreaking initiatives we had just begun. Instead, I find myself consulting with lawyers and considering options to protect my reputation in the face of the Board's position. I continue to wish the best for this great institution, its marvelous faculty, its committed staff, and its talented students."

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